

ATTACHMENT

REFERENCE: Note Accompanying Reference NSC Staff Paper.

1. This note contains the following:
 - (a) Sov 1958 GNP is \$192 billion \div 210 = \$910 per cap = 36% US.
 - (b) Sov Defense Exbls = 5.5: \$1; 40 billion in defense dollars = 220 billion rubles or about 22% of GNP.
2. Each of these will be discussed separately.
 - (a) The data pertinent to (a) above is as follows:

GNP in US and USSR, in 1958
(Values in 1957 Dollars)

	USSR	US	USSR/US (percent)
GNP (billion)	\$190	\$430	44%
Pop (million)	208	174	120%
GNP per cap	\$910	\$2500	36%

We can conclude that in 1958 the Soviet ^{per capita} GNP was about 36% of that of the US measured in 1957 US prices.

(b) As to (b) above, our estimate for the ruble dollar ratio for all defense expenditure in 1955 rubles and 1957 dollars is a little less than 4 to 1; our estimate for Soviet defense expenditures is 158 billion 1955 rubles. The data pertinent to the figure on defense as a percentage of GNP is given in paragraphs 3 and 4 of the basic memorandum.